

FILED

SEP 28 2011

EUGENE R. WEDOFF,
BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:

CANOPY FINANCIAL, INC.

Debtor.

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Case No. 09 B 44943

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Chapter 7
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**FINDINGS OF FACT AND CONCLUSIONS OF LAW IN SUPPORT OF ORDER AWARDING TO
POL SINELLI SHUGHART PC, FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION
AND REIMBURSEMENT OF EXPENSES**

TOTAL FEES REQUESTED:	\$90,517.50	TOTAL COSTS REQUESTED:	\$1,984.06
TOTAL FEES REDUCED:	\$6,999.02	TOTAL COSTS REDUCED:	\$476.48
TOTAL FEES ALLOWED:	\$83,518.48	TOTAL COSTS ALLOWED:	\$1,507.58

TOTAL FEES AND COSTS ALLOWED: \$85,026.06

The attached time and expense entries have been underlined to reflect disallowance in whole or in part. The basis for each disallowance is reflected by numerical notations that appear on the left of each underlined entry. The numerical notations correspond to the enumerated paragraphs below.

(1) Improper Allocation of Professional Resources

The court denies the allowance in part of compensation for the following task since a professional with a lower level of skill and experience or a paraprofessional could have performed the task. *In re Pettibone*, 74 B.R. 293, 303 (Bankr. N.D. Ill. 1987) (“Senior partner rates will be paid only for work that warrants the attention of a senior partner. A senior partner who spends time reviewing documents or doing research a beginning associate could do will be paid at a rate of a beginning associate. [Citation omitted]. Similarly, non-legal work performed by a lawyer which could have been performed by less costly non-legal employees should command a lesser rate.”); *In re Wildman*, 72 B.R. 700, 710 (Bankr. N.D. Ill. 1987) (same); *In re Alberto*, 121 B.R. 531, 535 (Bankr. N.D. Ill. 1990) (determining use of partner appropriate where attendant complex legal issues warrant highly experienced practitioner).

(2) Unreasonable Time

As to the time devoted to the preparation of the fee application itself, the Court denies the allowance of compensation that is disproportionate to the total hours in the main case. *In re Wildman*, 72 B.R. 700, 711 (Bankr. N.D. Ill. 1987) (“In the absence of unusual circumstances, the hours allowed by this Court for preparing and litigating the attorney fee application should not exceed three percent of the total hours in the main case.”); *In re Spanjer Bros., Inc.*, 203 B.R. 85, 93 (Bankr. N.D. Ill. 1996) (compensation limited to 5%). See also *In re Pettibone Corp.*, 74 B.R. 293, 304 (Bankr. N.D. Ill. 1987) (citing *Coulter v. State of Tennessee*, 805 F.2d 146, 151 (6th Cir. 1986) (in non-bankruptcy cases, compensation for preparation and litigation of fee petitions limited to 3-5% of the hours of the main case)).

(3) Reimbursement Limited to Actual, Necessary Expenses

The Court denies the allowance of reimbursement for expenses that were not actually and necessarily incurred by the applicant. See 11 U.S.C. §§ 330(a)(1)(B) & 331. The fee application fails to demonstrate that the

requested expenses for photocopies or facsimiles (or both) were actual out-of-pocket disbursements and that the quoted rates were necessary in light of prevailing (and lower) commercial rates. In the absence of such proof, the Court will allow reimbursement of photocopy expenses at a rate of \$.10 per page in accordance with prevailing commercial rates and will not allow expenses for facsimiles.

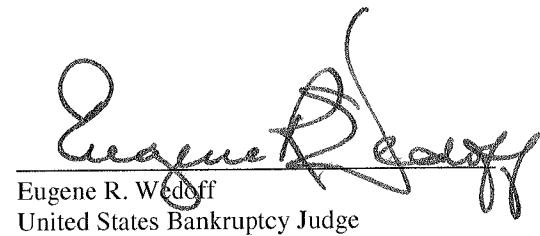
(4) Insufficient Description

The Court denies the allowance of compensation for the following task since the description of the time entry fails to identify in a reasonable manner the service rendered. *In re Pettibone*, 74 B.R. 293, 301 (Bankr. N.D. Ill. 1987) ("A proper fee application must list each activity, its date, the attorney who performed the work, a description of the nature and substance of the work performed, and the time spent on the work. [Citation omitted] Records which give no explanation of the activities performed are not compensable."); *In re Wildman*, 72 B.R. 700, 708-9 (Bankr. N.D. Ill. 1987) (same).

(7) Lumping

The Court may impose a ten percent penalty for "lumping." *In re Wildman*, 72 B.R. 700, 709 (Bankr. N.D. Ill. 1987) ("Applicants may not circumvent the minimum time requirement or any of the requirements of detail by "lumping" a bunch of activities into a single entry. [citation omitted]. Each type of service should be listed with the corresponding specific time allotment.").

Dated: September 28, 2011



Eugene R. Wedoff
United States Bankruptcy Judge

For Professional Services Through 1/31/11
 File No. 061989-407854
 Re: Discovery/Litigation

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Professional Services

Date	Description	Tmkpr	Hours	Amount
1/4/11	Left detailed message for and exchanged emails with M. McClintock re claims (.2); worked on drafting complaint (1.6); <u>worked on legal and factual research regarding same (.8); left message for and exchanged emails with trustee re assertion of interest in Blackburn personal property in California (.1); commenced drafting letter to counsel for foreclosing creditor re same (.4).</u>	JLSWI	3.10	\$1,317.50
(1)			- 0.8 x \$425 = - \$340	
1/5/11	Revised and finalized letter to counsel re assertion of trustee's interest in personal property (.7); reviewed documents relating to registration of judgment in California to be included with letter and worked on other logistics re issuance of letter (.4); exchanged emails with trustee re enclosures for and approval of letter (.1); worked on complaint (.5).	JLSWI	1.70	722.50
1/6/11	Worked on drafting complaint (1.8); worked on factual research re same (1.0); commenced legal analysis of causes of action to be pursued (.5).	JLSWI	3.30	1,402.50
1/7/11	Call with L. McCurdy, counsel for DB Private Wealth re disposition of J. Blackburn personal property and trustee's interest in same and exchanged emails with trustee re same (.2); reviewed email from M. McClintock re offer to settle and exchanged emails with trustee re same (.2); worked on drafting complaint (2.6); <u>worked on legal research re potential claims and causes of action (.7).</u>	JLSWI	3.70	1,572.50
(1)			- 0.7 x \$425 = - \$297.50	
1/10/11	Call with trustee re offer of settlement, issues to be considered to analyze offer and potential response to same (.2); worked on drafting complaint (3.5); reviewed transfer document binders and completed other fact research relating to allegations in complaint (.9); <u>worked on legal research re causes of action in complaint (.8); sent emails to estate professional re additional information needed for and questions regarding complaint (.2).</u>	JLSWI	5.60	2,380.00
(1)			- 0.8 x \$425 = - \$340	
1/10/11	Confer with Mr. Switzer regarding filing of complaint and service of same.	JESOH	0.10	27.00
1/11/11	Worked on drafting complaint (1.6); reviewed all transfer documents and related correspondence to develop factual allegations for complaint and prepare same as exhibits for complaint (1.1); exchanged additional emails with estate professional re damages calculation and transfer summary issues (.3); made revisions to transfer summary exhibit and worked on related matters (.5); <u>worked on legal research re claims (.8).</u>	JLSWI	4.30	1,827.50
(1)			- 0.8 x \$425 = - \$340	

Payment Terms: Net 30

Late Payment Charge: 1% per month may be charged on outstanding balances

For Professional Services Through 1/31/11

File No. 061989-407854

Re: Discovery/Litigation

1/26/11	Continued reviewing ESI relating to potential claims (.9); confer with J. Switzer regarding same (.1); drafted correspondence to trustee regarding same (.6).	ACPOR	1.60	680.00
1/27/11	Exchanged messages with M. McClintock re settlement.	JLSWI	0.10	42.50
1/27/11	Telephone conference with B. Angart regarding accounts and how they were used (.2); continued drafting and editing email to trustee regarding potential causes of action (.3).	ACPOR	0.50	212.50
1/28/11	Reviewed and responded to numerous detailed emails from A. Porcelli re discovery and litigation issues and worked on follow up to same.	JLSWI	0.50	212.50
1/28/11	Corresponded with Trustee regarding potential issues (.3); corresponded with bank regarding additional documents needed by trustee (.3).	ACPOR	0.60	255.00
1/31/11	Call with trustee re discovery and litigation issues (.2); <u>researched statute of limitations issues for claims to determining timing and strategy for pursuant of FRBP 2004 discovery and possible claims against third party (.9); researched fact issues relating to statute of limitations analysis (.5); drafted and issued memo to trustee re same and recommendation going forward (.5); call with M. McClintock re potential for settlement of claims (.2); drafted correspondence to same responding to pending settlement offer and making counterproposal (.4).</u>	JLSWI	2.70	1,147.50
(1)				$-0.9 \times \$425 = -\382.5
Total Professional Services				\$29,126.00

Timekeeper Summary

Timekeeper	Title	Rate	Hours	Amount
J.L. Switzer	Shareholder	425.00	53.30	\$22,652.50
A.C. Porcelli	Shareholder	425.00	12.50	5,312.50
J. Soh	Associate	270.00	4.30	1,161.00
Total Professional Charges			70.10	\$29,126.00

Total Professional Services **\$29,126.00**Total Disbursements **0.00****Total Current Charges Due** **\$29,126.00****Payment Terms: Net 30**

Late Payment Charge: 1% per month may be charged on outstanding balances

For Professional Services Through 1/31/11
 File No. 061989-407852
 Re: Retention/ Fee Applications

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Professional Services

Date	Description	Tmkpr	Hours	Amount
1/24/11	Worked on drafting third interim fee application and all related notices, exhibits, proposed order and other filings and worked on related tasks and issues.	JLSWI	3.20	\$1,360.00
1/25/11	Revised fee application notice and related certificates of service and otherwise prepared fee application for filing and service (.3); exchanged emails with trustee re billing invoice issues relating to application (.1).	JLSWI	0.40	170.00
1/27/11	Worked on service issues for fee application, including exchanging emails with trustee's office re updates to service list.	JLSWI	0.20	85.00
1/30/11	Draft and format form of order to third fee application and circulate to Mr. Switzer.	JESOH	0.40	108.00
1/31/11	Call with trustee re changes to fee application (.1); worked on revisions to application and related materials (.3).	JLSWI	0.40	170.00
1/31/11	Amend proposed order approving third fee application in court-fillable order form.	JESOH	0.30	81.00
Total Professional Services				- \$591.02 \$1,974.00

Fees requested in Third Interim Application (less fee app prep fees) = \$27,659.50 x 5% = \$1,382.98
 allowable

Timekeeper Summary

Timekeeper	Title	Rate	Hours	Amount
J.L. Switzer	Shareholder	425.00	4.20	\$1,785.00
J. Soh	Associate	270.00	0.70	189.00
Total Professional Charges			4.90	\$1,974.00
Total Professional Services				\$1,974.00
Total Disbursements				0.00
Total Current Charges Due				\$1,974.00

Payment Terms: Net 30

Late Payment Charge: 1% per month may be charged on outstanding balances

For Professional Services Through 2/28/11

File No. 061989-407456

Re: General Administration

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Disbursements

Date	Description	Amount
(3)	Document Reproduction	\$123.90
	Postage	500.76
01/18/11	Deliveries -- VENDOR: Chariot Express Messenger Delivery service from Seyfarth Shaw	8.00
01/31/11	On-Line Searches - Pacer	9.52
	Total Disbursements	\$642.18
	Total Professional Services	\$0.00
	Total Disbursements	<u>642.18</u>
	Total Current Charges Due	<u>\$642.18</u>

Payment Terms: Net 30

Late Payment Charge: 1% per month may be charged on outstanding balances

For Professional Services Through 1/31/11
 File No. 061989-407456
 Re: General Administration

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Professional Services

Date	Description	Tmkpr	Hours	Amount
1/4/11	Call with W. Gutherie re landlord issues and concerns and request for documents re mitigation.	JLSWI	0.20	\$85.00
1/25/11	Reviewed and analyzed information received from landlord's counsel re mitigation efforts (.2); drafted detailed email to trustee re recommendation on how to proceed with resolution of current dispute (.3).	JLSWI	0.50	212.50
1/27/11	Followed up with trustee re resolution of landlord issues.	JLSWI	0.10	42.50
1/28/11	Exchanged emails with trustee re resolution of landlord issues and claims.	JLSWI	0.20	85.00
1/31/11	Exchanged emails re terms of stipulation resolving dispute over setoff against security deposit.	JLSWI	0.30	127.50
Total Professional Services				\$552.50

Timekeeper Summary

Timekeeper	Title	Rate	Hours	Amount
J.L. Switzer	Shareholder	425.00	1.30	552.50
Total Professional Charges			1.30	\$552.50

Disbursements

Date	Description	Amount
01/28/11	Document Reproduction	\$96.40
	Federal Express	11.23
	Postage	35.79
01/28/11	Client Advance -- VENDOR: Hatfield Process Service service of summons & complaint to FDIC	139.30
	Total Disbursements	\$282.72
Total Professional Services		\$552.50
Total Disbursements		282.72

Payment Terms: Net 30

Late Payment Charge: 1% per month may be charged on outstanding balances

For Professional Services Through 2/28/11

File No. 061989-407852

Re: Retention/ Fee Applications

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Professional Services

Date	Description	Tmkpr	Hours	Amount
2/3/11	Worked on revising and finalizing fee application and preparing same for filing and service.	JLSWI	0.50	\$212.50
2/3/11	Review third fee application (.3) and prepare to e-file and serve same (.1).	JESOH	0.40	108.00
2/6/11	Draft correspondence to Mr. Switzer regarding filing third fee application, make changes to comport to new filing date and prepare to serve and e-file same (.2).	JESOH	0.20	54.00
2/7/11	Worked on final issues re filing and service of fee application, including working with J. Soh re same.	JLSWI	0.30	127.50
2/7/11	Confer with Ms. Jackson and arrange for service of notice of third application to all creditors (.2). Draft notice of motion, prepare exhibits and cover sheet to third fee application (1.0). E-file and serve same, and calendar management (.4).	JESOH	1.60	432.00
Total Professional Services			- \$934	\$934.00

See add'l comments re: fee application preparation with respect to January entries

Timekeeper Summary

Timekeeper	Title	Rate	Hours	Amount
J.L. Switzer	Shareholder	425.00	0.80	\$340.00
J. Soh	Associate	270.00	2.20	594.00
Total Professional Charges			3.00	\$934.00
 Total Professional Services				 \$934.00
Total Disbursements				0.00
 Total Current Charges Due				 \$934.00

Payment Terms: Net 30

Late Payment Charge: 1% per month may be charged on outstanding balances

For Professional Services Through 4/30/11
 File No. 061989-407854
 Re: Discovery/Litigation

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Professional Services

Date	Description	Tmkpr	Hours	Amount
4/1/11	Follow up to setting of hearing on FDIC motion to dismiss and issues re corporate disclosure statement (.2); exchanged numerous emails and messages with counsel for defendant re settlement and analyzed strategy (.6).	JLSWI	0.80	\$340.00
4/1/11	Review order resetting initial status hearing and calendar management.	JESOH	0.10	27.00
4/4/11	Reviewed and analyzed legal and factual issues raised in motion to dismiss complaint (1.4); took detailed notes of issues to be addressed in response to motion and commenced initial research on issues (1.0); exchanged emails with estate professional re brief and legal research (.1); exchanged emails with estate professional re settlement with fraudulent transfer recipient re terms for settlement agreement (.1); call with trustee re status and strategy on litigation (2).	JLSWI	2.80	1,190.00
4/4/11	Confer with Mr. Switzer regarding e-filing of disclosure statement (.2). Amend certificate of service and e-file same (.3). Draft correspondence to chambers enclosing courtesy copies (.3).	JESOH	0.80	216.00
4/5/11	Worked on drafting settlement agreement (.8); worked on drafting 9019 motion re same (1.5); <u>worked on research issues re motion to dismiss (.6).</u>	JLSWI	2.90	1,232.50
(1)			-0.6 x \$425 = -\$255	
4/6/11	Exchanged emails with M. McClintock re settlement (.1); finalized settlement agreement and forwarded same to trustee (.3); worked on draft order for 9019 motion (.1); <u>worked on legal and factual research re litigation (1.3).</u>	JLSWI	1.80	765.00
(1)			-1.3 x \$425 = -\$552.50	
4/7/11	Exchanged emails with trustee re settlement agreement (.2); <u>worked on factual and legal research re litigation (.6).</u>	JLSWI	0.80	340.00
(1)			-0.6 x \$425 = -\$255	
4/8/11	Exchanged messages and emails with M. Leib re insurance and distribution issues (.2); revised 9019 motion (.7); exchanged emails with estate professional re allocation and related issues and review of motion re same (.2); forwarded settlement agreement to M. McClintock for review (.1); met with J. Soh re next week's hearing and related issues (.2).	JLSWI	1.40	595.00

Payment Terms: Net 30

Late Payment Charge: 1% per month may be charged on outstanding balances

For Professional Services Through 4/30/11

File No. 061989-407456

Re: General Administration

4/21/11	Addressed issues re filing of landlord stipulation motion, including issues raised by clerk's office, and talked with J. Soh re same.	JLSWI	0.10	42.50
4/21/11	Confer with Mr. Switzer re filing (.1). Amend notice of motion and motion to approve 203 W Monroe stipulation (.6). E-file motion and arrange for service of same (.4). Calendar management (.1).	JESOH	1.20	324.00
4/22/11	Exchanged emails with J. Soh re filing issues.	JLSWI	0.10	42.50
4/22/11	Review voicemail and telephone conference with Clerk regarding re-filing motion (.1). Confer with Mr. Switzer regarding same (.1).	JESOH	0.20	54.00
4/25/11	Voice-mail left for and telephone conference with Clerk's Office regarding filing of Motion to Approve 203 West Monroe stipulation under stay relief event (.5). Confer with Mr. Switzer and draft required statement for stay relief (.1); and e-file same (.3).	JESOH	0.90	243.00
Total Professional Services				\$3,676.50

Timekeeper Summary

Timekeeper	Title	Rate	Hours	Amount
J.L. Switzer	Shareholder	425.00	6.30	\$2,677.50
J. Soh	Associate	270.00	3.70	999.00
Total Professional Charges			10.00	\$3,676.50

Disbursements

Date	Description	Amount
(3) 12/31/10	Document Reproduction	\$136.00
	Postage	61.51
(4) 12/31/10	On-Line Searches	8.08 - \$8.08
04/13/11	Transportation Jay L. Switzer Jr. Court Appearance in Rockford for Canopy - Paloian v. FDIC Status Hearing (mini lot)	0.75
04/13/11	Transportation Jay L. Switzer Jr. Court Appearance in Rockford for Canopy - Paloian v. FDIC Status Hearing	21.00
04/13/11	Transportation Jay L. Switzer Jr. To/from office and court. Court Appearance in Rockford for Canopy - Paloian v. FDIC Status Hearing (mini lot)	94.35
Total Disbursements		\$321.69

Total Professional Services \$3,676.50

Total Disbursements 321.69

Payment Terms: Net 30

Late Payment Charge: 1% per month may be charged on outstanding balances

For Professional Services Through 5/31/11
 File No. 061989-407456
 Re: General Administration

Page 2

Professional Services

Date	Description	Tmkpr	Hours	Amount
5/18/11	Prepared for and attended hearing on motion to approve stipulation between trustee and landlord re security deposit setoff and extension of storage agreement.	JLSWI	1.20	\$510.00

Timekeeper Summary

Timekeeper	Title	Rate	Hours	Amount
J.L. Switzer	Shareholder	425.00	1.20	\$510.00
Total Professional Charges			1.20	\$510.00

Disbursements

Date	Description	Amount
(3)	Document Reproduction	\$102.60
	Postage	73.66
02/08/11	Travel -- VENDOR: Petty Cash - Taxi to post office	8.00
04/25/11	Filing Fees -- VENDOR: U S Bank Leslie Bobb - Courts USBC IL - Court Filing (Relief of Stay)	150.00
04/30/11	On-Line Searches - PACER	10.32
	Total Disbursements	\$344.58

Total Professional Services \$510.00

Total Disbursements 344.58

Total Current Charges Due **\$854.58**

Payment Terms: Net 30

Late Payment Charge: 1% per month may be charged on outstanding balances

For Professional Services Through 5/31/11
 File No. 061989-407854
 Re: Discovery/Litigation

Professional Services

Date	Description	Tmkpr	Hours	Amount
5/2/11	Exchanged emails with estate professional re litigation claim demand issue.	JLSWI	0.10	\$42.50
5/4/11	Revised, finalized and issued letter to counsel re insurance issues (.5); exchanged emails with trustee re same (.1).	JLSWI	0.60	255.00
5/6/11	Call with estate professional re potential claims (.2); exchanged detailed messages and call with trustee re potential claims and settlement (.4); finalized and sent draft of settlement agreement to opposing counsel for final review and approval (.6).	JLSWI	1.20	510.00
5/9/11	Worked on reviewing and analyzing arguments raised in motion to dismiss and developing responses to same (2.2); commenced legal research on issues raised in motion to dismiss (.8); commenced drafting response to motion to dismiss (1.7).	JLSWI	4.70	1,997.50
(1)	- 0.8 x \$425 = - \$340			
5/10/11	Continued legal research on issues raised in motion to dismiss, reviewed case decisions and analyzed arguments in response to issues (2.4); call with counsel re discovery and insurance issues (.1); worked on drafting response to motion to dismiss (1:3)	JLSWI	3.80	1,615.00
(1)	- 2.4 x \$425 x 0.1 = - \$102			
5/11/11	Continued legal research of legal issues raised in motion to dismiss and reviewed legal opinions (2.1); worked on drafting response to motion to dismiss (2.5); call with trustee re discovery and related issues and worked on follow up to same (.2).	JLSWI	4.80	2,040.00
(1)	- 2.1 x \$425 x 0.1 = - \$89.25			
5/12/11	Continued research on issues raised in motion to dismiss (.5); revised response brief (.3); exchanged emails with estate professional re discovery issues and reviewed documents (.1); followed up with counsel re status of settlement (.1).	JLSWI	1.00	425.00
(1)	- 0.5 x \$425 = - \$212.50			
5/13/11	Worked on research of legal issues raised in motion to dismiss (2.1); worked on finalizing and obtaining signatures to settlement agreement (.4); finalized motion to approve agreement and prepared same for filing and service (.2).	JLSWI	2.60	1,105.00
(1)	- 2.1 x \$425 = - \$892.50			
5/16/11	Draft proposed order for motion to approve compromise (0.5). E-file and serve motion (0.4). Calendar management (0.1).	JESOH	1.00	270.00

Payment Terms: Net 30

Late Payment Charge: 1% per month may be charged on outstanding balances

For Professional Services Through 5/31/11
 File No. 061989-407854
 Re: Discovery/Litigation

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5/17/11	Worked on reviewing legal opinions re issues raised in motion to dismiss (.8); worked on drafting and revising response to motion to dismiss (2.7); sent emails to counsel re this week's status conference, court's minute order re same and status of request for insurance information (.2); worked on follow up to filing of motion to approve settlement agreement (.3).	JLSWI	4.00	1,700.00
5/18/11	Worked on research of issues raised in motion to dismiss (1.8); worked on drafting and revising response to motion (1.8); met with trustee re status of discussions with counsel re insurance and other litigation matters (.1); exchanged emails with counsel re settlement issues and forwarded same to trustee for response (.1). (C)	JLSWI	3.80	1,615.00
			$-1.8 \times \$425 = -\765	
5/19/11	Reviewed letter from counsel re insurance issues (.1); analyzed issues and strategy (.2); drafted and sent email to trustee re same and strategy moving forward (.1); worked on response to motion to dismiss (.7); prepared for tomorrow's telephonic hearing (.2).	JLSWI	1.30	552.50
5/19/11	Confer with Mr. Switzer regarding telephonic status hearing, and response to motion to dismiss.	JESOH	0.10	27.00
5/20/11	Prepared for and attended telephonic status hearing in litigation (.4); followed up with trustee re same (.1); worked on response to motion to dismiss (.5).	JLSWI	1.00	425.00
5/20/11	Review entered scheduling order on litigation and calendar management.	JESOH	0.10	27.00
5/24/11	Exchanged emails with trustee and opposing counsel re information needed to close settlement (.1); exchanged emails with trustee re documents produced in discovery and followed up on same (.2).	JLSWI	0.30	127.50
5/31/11	Worked on response brief.	JLSWI	0.30	127.50
Total Professional Services				\$12,861.50

Timekeeper Summary

Timekeeper	Title	Rate	Hours	Amount
J.L. Switzer	Shareholder	425.00	29.50	\$12,537.50
J. Soh	Associate	270.00	1.20	324.00
Total Professional Charges			30.70	\$12,861.50
Total Professional Services				\$12,861.50
Total Disbursements				0.00

Payment Terms: Net 30

Late Payment Charge: 1% per month may be charged on outstanding balances

For Professional Services Through 6/30/11
 File No. 061989-407854
 Re: Discovery/Litigation

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Professional Services

Date	Description	Tmkpr	Hours	Amount
6/1/11	Worked on drafting and revising response to motion to dismiss (4.0); reviewed legal research to address arguments in brief (1.4).	JLSWI	5.40	\$2,295.00
6/3/11	Call with trustee re litigation and other issues (.3); worked on response to motion to dismiss, including revising same per discussion with trustee (.4).	JLSWI	0.70	297.50
6/6/11	Worked on issues relating to settlement agreement, including exchanging emails with counsel and trustee re same and working on follow up to same (.2); revised agreement (.1); prepared for hearing on motion to approve same (.2); sent email to estate professional re issues for response to motion to dismiss (.1)	JLSWI	0.60	255.00
6/6/11	Review Judge's calendar and draft correspondence to Mr. Switzer regarding change of judge for hearing on motion for approval of settlement.	JESOH	0.20	54.00
6/7/11	Attended hearing on motion to approve settlement (.8); worked on follow up to same, including drafting letter to counsel covering original agreement and approval order and working on related issues (.3); <u>worked on legal and factual research relating to response to motion to dismiss, including researching and compiling claims information (0.6); exchanged numerous emails and messages with estate professionals re same (0.4); worked on revisions to brief (.3).</u>	JLSWI	2.40	1,020.00
				$-0.6 \times \$425 = -\255
6/8/11	<u>Completed final legal research relating to response to motion to dismiss and reviewed legal opinions re same (1.3); reviewed and analyzed legal research received from estate professional re same (.4); worked on revisions to response brief and forwarded same to trustee for review (4.9).</u>	JLSWI	6.60	2,805.00
				$-1.3 \times \$425 \times 0.1 = -\55.25
6/9/11	Worked on additional revisions to response to motion to dismiss (2.2); issued letter to counsel covering original settlement and agreement and approval order.	JLSWI	2.40	1,020.00
6/10/11	Call with trustee re response brief.	JLSWI	0.10	42.50
6/11/11	Reviewed and analyzed trustee's comments to response brief (.4); worked on follow up to same (.2); sent email to trustee re revisions to be made (.1).	JLSWI	0.70	297.50

Payment Terms: Net 30

Late Payment Charge: 1% per month may be charged on outstanding balances

For Professional Services Through 6/30/11

File No. 061989-407854

Re: Discovery/Litigation

6/29/11	Analyzed issues in reply brief (.1); drafted email to counsel re trustee's position on settlement conference (.1); worked on discovery issues (.2)	JLSWI	0.40	170.00
6/30/11	Revised and issued email to counsel re settlement conference issues.	JLSWI	0.10	42.50
Total Professional Services				\$13,580.00

Timekeeper Summary

Timekeeper	Title	Rate	Hours	Amount
J.L. Switzer	Shareholder	425.00	31.00	\$13,175.00
J. Soh	Associate	270.00	1.50	405.00
Total Professional Charges				\$13,580.00

Disbursements

Date	Description	Amount
3	Document Reproduction	\$9.50
	Postage	7.40
Total Disbursements		\$16.90

Total Professional Services	\$13,580.00
Total Disbursements	16.90
Total Current Charges Due	\$13,596.90

Payment Terms: Net 30

Late Payment Charge: 1% per month may be charged on outstanding balances